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SENATE BILL 1065

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

John T. L. Grubestic

AN ACT

RELATING TO LICENSING; REVISING BONDING REQUIREMENTS FOR
EMPLOYEE LEASING CONTRACTORS; ESTABLISHING THE EMPLOYEE LEASING
ACT FUND; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 60-13A-7 NMSA 1978 (being Laws 1993,
Chapter 162, Section 7, as amended) is amended to read:

"60-13A-7. SURETY REQUIREMENTS FOR EMPLOYEE LEASING
CONTRACTORS.--

A. An employee leasing contractor domiciled and
registered in New Mexico as of September 30, 1993 shall file
and maintain with the department a surety bond in the amount of
twenty-five thousand dollars (\$25,000) issued by an insurance
company authorized to do business in this state. An employee
leasing contractor domiciled and registered in New Mexico after

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1 September 30, 1993 shall file and maintain with the department
2 a surety bond in the amount of one hundred thousand dollars
3 (\$100,000) issued by an insurance company authorized to do
4 business in this state. Interest accrued on such liquid
5 securities shall be paid to the employee leasing contractor
6 providing the liquid security. The bond shall be conditioned
7 upon the prompt payment of wages for which the employee leasing
8 contractor becomes liable. The employee leasing contractor's
9 liability for these wages shall terminate six months after the
10 employee leasing contractor terminates ~~[his]~~ the employee
11 leasing contractor's employee leasing business.

12 B. In lieu of the surety bond required under
13 Subsection A of this section, the employee leasing contractor
14 may deposit with a depository designated by the department
15 liquid securities with a market value equal to the amount
16 required for a surety bond. The deposit contract shall
17 authorize the department to liquidate the securities to the
18 extent necessary to pay ~~[any]~~ obligations that the employee
19 leasing contractor fails to pay promptly when due.

20 C. In lieu of the surety requirements of this
21 section, the department may by rule provide that it will accept
22 an affidavit or certification of a bonded, independent and
23 qualified assurance organization, approved by the department,
24 that certifies the qualification of an employee leasing
25 contractor."

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1 Section 2. A new section of the Employee Leasing Act is
2 enacted to read:

3 "[NEW MATERIAL] EMPLOYEE LEASING ACT FUND CREATED--
4 PURPOSE--APPROPRIATION.--

5 A. The "Employee Leasing Act fund" is created in
6 the state treasury. The fund shall consist of legislative
7 appropriations to the fund; fees charged by the department
8 pursuant to the Employee Leasing Act; gifts, grants, donations
9 and bequests to the fund; and income from investment of the
10 fund. Money in the fund shall not revert to any other fund at
11 the end of a fiscal year. Expenditures from the fund shall be
12 made on warrants drawn by the secretary of finance and
13 administration pursuant to vouchers signed by the
14 superintendent of regulation and licensing or the
15 superintendent's authorized representative.

16 B. The fund shall be administered by the
17 department, and money in the fund is appropriated to the
18 department for the purpose of carrying out the provisions of
19 the Employee Leasing Act."

20 Section 3. EFFECTIVE DATE.--The effective date of the
21 provisions of this act is July 1, 2007.